

Horseshoe Bay Airport Committee
Interim Report to the City Council
March 20, 2012

In the fall of 2009 a resident contacted the Mayor and suggested it might be in the interest of the City and the Resort for the City to acquire the airport. After preliminary analysis by both the Resort and the City Council it was concluded a detailed study by both parties was appropriate. It was also a key understanding between both parties that the City could acquire the airport at no cost since the Federal Aviation Agency (FAA) would pay for the cost of acquisition assuming a FAA process was satisfactorily completed.

In March of 2010, the City Council appointed seven residents to form the Horseshoe Bay Airport Committee. Included were: John Bird, Jim Long, Ken Lindgren, Bob Mark, J.T. McMahon, Evan Roberts and Jim Thorne. The purpose of the committee was to evaluate the potential acquisition of the airport.

The committee investigated the areas of: Profitability and Cash Flow; Potential Capital Expenditures; Proper Staffing Levels; "Through the Fence" Regulations; Real Estate Issues; Airport Appraisal; FAA Requirements; and other Legal, Economic, Social and Environmental issues.

Four specific goals were defined: (1) The Airport would be acquired at no cost to the City. (2) The Airport must be projected as profitable or revenue neutral and have a positive cash flow (3) Specifically identified future capital projects must be paid for by the Resort net of any FAA funding. (4) The "through the fence" and airport real estate issues would have to be resolved to the satisfaction of those citizens effected.

If these goals are met, the acquisition, funding for identified improvements and operations of the Airport would all be accomplished with no cost to the City. If any of these goals were not met, the committee feels that further investigation into possible Airport acquisition by the City should be discontinued.

At the request of the committee, in December 2010 the Aviation Division of the Texas Department of Transportation (TxDot) issued a draft letter that identified

specific modifications most probably required by the FAA to operate the airport as a Class B-II facility as identified and requested by the Resort.

This turned out to be a list including demolition, re-location and construction projects. In March of 2011, the Resort informed the Committee the acquisition proposal should be placed on hold while the Resort analyzed these requirements; explore hiring a consultant and opening negotiations with the FAA.

The consultants draft report entitled "Airport Feasibility Assessment and Advocacy Report" has since been submitted to the Resort and is currently under study.

At the present time we are continuing to wait for the Resort to make a decision on whether to further pursue this acquisition or to end our activity. The Committee will take no further action on this matter until we receive word that the Resort wants to proceed with this project.

Should this project proceed, the Committee will complete its mission and submit the report to the City Council. It is our understanding that the City will then have one or more public workshops on the possible acquisition and have the topic as an agenda item at a minimum of two City Council meetings and place it on the City web site to insure the community has every opportunity to learn the details of the Committee's findings and to present their views.

Submitted by

Jim Long
Chairman